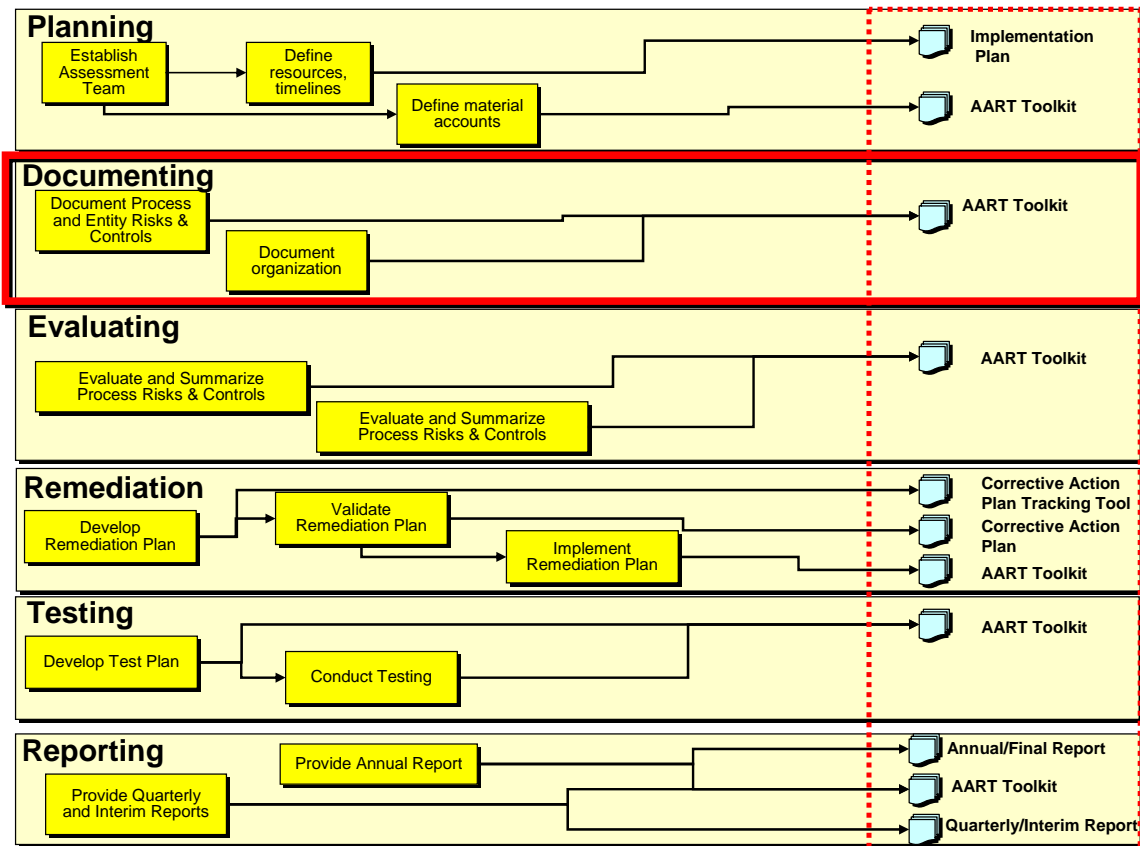




Quick Start Guide 2 - Documenting



Purpose	<ul style="list-style-type: none"> Establish the documentation required for evaluating internal controls over financial reporting related to departmental financial statements to withstand the rigors of audit.
Key Activities	<ul style="list-style-type: none"> Identify and Document Processes and Sub-Processes Identify and Document Sub-Process Risks and Controls Document Entity Risks and Controls
Required Templates	<ul style="list-style-type: none"> AART Toolkit



Quick Start Guide 2 – Documenting

Document Legend	
	Professional Judgment
	Required
	Note
	Tip

PROCEDURES



The Planning phase has been completed: the Material Accounts for each Site were identified. Now the relevant processes for each material account need to be identified and recorded. Entity controls also need to be documented.

The Documenting phase should be completed by the Site/LPSO Assessment Team or their designated representatives. It is recommended that one individual maintain the official Site/Field/LPSO tools to maintain the consistency and integrity of the content.

A. Prepare the Site/Field/LPSO AART.



REQUIREMENTS

Site/FO/LPSO: Each Site/FO/LPSO will complete the AART Toolkit.

FO/LPSO: Each FO/LPSO is required to also rollup data reported to them.

1. Using the AART Toolkit provided, fill in the Attester field on the Site AART worksheet and select the appropriate Site/FO/LPSO Code.

NOTE: The Attester may have been defined in the Rollup AART.

Figure 1

	A	B	C	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	
1	AART: Site																															
2	Site		Oak Ridge National Lab											AART Type		Site																
3	Attester		libd											Site Codes		ORNL																
4																																
5	Rating													B2C				P2P				Q2C		P2A			ERM					
6																																
7																																
8																																
12	Balance Sheet																															
13	Intragovernmental Fund																															
14	Balance with Treasury																															
15	Intragovernmental Investment																															
16	Intragovernmental Regulatory Assets																															
17	Accounts Receivable, Net																															
18	Nuclear Materials																															
19	Strategic Petroleum and Northeast Home Heating Oil Reserve																															
20	General Property, Plant and Equipment																															
21	Regulatory Assets																															
22	Other non-intragovernmental assets																															
23	Intragovernmental debt																															
24	Intragovernmental appropriated																															



This will automatically populate the Attester, Site / Field Office / LPSO Name, and location codes throughout the workbook.



Quick Start Guide 2 – Documenting

Document Legend	
★	Professional Judgment
STOP	Required
NOTE	Note
💡	Tip

B. Identify and Record the Processes at the Site/Field Office/LPSO for Each Material Account.



SITE: The Field Office may provide a listing of the applicable accounts to each Site. Otherwise, the Field Office may require each Site to populate the MAD column and update the Rollup AART with the results.

FIELD OFFICE: Material accounts have not be pre-populated and will need to be indicated on the Site AART worksheet.

LPSO: If an LPSO has been identified as having to perform a Process Control Evaluation on certain Material Accounts, these accounts will be pre-populated with 'Y's on the Site AART worksheet. Otherwise, the "Only Entity Controls Evaluated" box will have a 'Y' pre-populated.

1. If the Field Office provided the listing of the applicable accounts on the Rollup AART, the Site must copy the Material Accounts Definition (MAD) column (starting with the first Material Account) from the Rollup AART and paste the values into the associated Site AART MAD column.

Figure 2

AART: Rollup		National Nuclear Security Administration-Rollup										National Nuclear Security Administration										Kansas City		Lawrence Nation		
National Nuclear Security Administration		FO-NAFO										FO-NAFO										Site-KC		Site-L		
Attester																										
Overall Assurance																										
Material Account	Acct Status	MAD	EC	B2C	P2P	Q2C	P2A	ERM	MAD	EC	B2C	P2P	Q2C	P2A	ERM	MAD	EC	B2C	P2P	Q2C	P2A	ERM	MAD	EC	B2C	P2P
Balance Sheet																										
Intragovernmental Fund Balance with Treasury	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0
Intragovernmental Investment																										
Intragovernmental Regulatory Assets	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0
Accounts Receivable, Net	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0
Nuclear Materials																										
Strategic Petroleum and Northeast Home Heating Oil Reserve	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0	0	0	0	Y	0	0	0
General Property, Plant and Equipment																										
Regulatory Assets																										
Other non-intragovernmental assets																										
AART: Site		Site Kansas City										AART Type Site										Site KC				
Attester																										
Rating																										
Process Cycle																										
General Ledger Mgmt																										
Funds Mgmt																										
FBVT																										
Cost Mgmt																										
Insurance																										
Grants																										
Leases																										
Acquisition																										
Inventory Mgmt																										
Payable Mgmt																										
Travel																										
Revenue																										
Receivable Mgmt																										
Balance Sheet																										
Intragovernmental Fund Balance with Treasury	Y	0							Y	0						Y	0						Y	0		
Intragovernmental Investment																										
Intragovernmental Regulatory Assets	Y	0							Y	0						Y	0						Y	0		
Accounts Receivable, Net	Y	0							Y	0						Y	0						Y	0		
Nuclear Materials																										
Strategic Petroleum and Northeast Home Heating Oil Reserve	Y	0							Y	0						Y	0						Y	0		
General Property, Plant and Equipment																										
Regulatory Assets																										
Other non-intragovernmental assets	Y	0							Y	0						Y	0						Y	0		
Intragovernmental debt																										
Site AART / Rollup AART /		AART: Site										AART Type Site										Site KC				
Attester																										
Rating																										
Process Cycle																										
General Ledger Mgmt																										
Funds Mgmt																										
FBVT																										
Cost Mgmt																										
Insurance																										
Grants																										
Leases																										
Acquisition																										
Inventory Mgmt																										
Payable Mgmt																										
Travel																										
Revenue																										
Receivable Mgmt																										



Quick Start Guide 2 – Documenting

Document Legend	
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STOP	Required
NOTE	Note
TIP	Tip

- The Field Office and those Sites that did not receive a listing of applicable accounts on the Rollup AART worksheet, must enter a 'Y' in the MAD column on the Site AART worksheet to indicate the material accounts.

Figure 3

AART: Site		Version 3.0	
Site	Kansas City	AART Type	Site
Attester		Site Codes	KC
Rating		B2C	
Process Cycle		P2P	
O2C		P2A	
ERM		ERM	
Balance Sheet			
Intragovernmental Fund	Y		
Balance with Treasury	Y		
Intragovernmental Investment			
Intragovernmental Regulatory Assets			
Accounts Receivable, Net	Y		
Nuclear Materials			
Strategic Petroleum and Northeast Home Heating Oil Reserve	Y		
General Property, Plant and Equipment			
Regulatory Assets			
Other non-intragovernmental assets	Y		
Intragovernmental debt			

- For those accounts identified as being material, enter a "Y" to indicate the processes that impact the specified Material Accounts for the relevant Site / Field Office / LPSO.

Figure 4

AART: Site		Version 3.0	
Site	Oak Ridge National Lab	AART Type	Site
Attester	tbd	Site Codes	ORNL
Rating		B2C	
Process Cycle		P2P	
O2C		P2A	
ERM		ERM	
Balance Sheet			
Intragovernmental Fund	0	Y	
Balance with Treasury	0	Y	
Intragovernmental Investment			
Intragovernmental Regulatory Assets			
Accounts Receivable, Net	0	Y	
Nuclear Materials	0	Y	
Strategic Petroleum and Northeast Home Heating Oil Reserve	0	Y	
General Property, Plant and Equipment	0	Y	
Regulatory Assets			
Other non-intragovernmental assets	0	Y	
Intragovernmental debt			
Intragovernmental appropriated capital owned			
Accounts Payable	0	Y	
Debt			
Deferred Revenue and other credits	0	Y	
Environmental Liabilities			
Pension and other actuarial liabilities			
Other liabilities			
Contingencies and commitments			

A "0" automatically populates indicating action must be taken.



Quick Start Guide 2 – Documenting

Document Legend	
★	Professional Judgment
STOP	Required
NOTE	Note
💡	Tip

- Navigate to the PCS-Assess worksheet and record the sub-processes for the processes marked with a "Y" in the process list.



The processes are automatically populated with a "Y" based on the selections on the Site-AART worksheet.

Figure 5¹

Process Cycles	Processes	Sub Processes	Risks	Like/Impact	Risk Assessment	Controls	Ctrl Type
P2P	Acquisition	Create Acquisition					
P2P	Acquisition	Approve Acquisition					
P2P	Acquisition	Internal Sourcing					
P2P	Acquisition	External Sourcing					
P2P	Acquisition	Select Vendor					
P2P	Acquisition	Create PO					
P2P	Acquisition	Approve PO					
P2P	Inventory Mgmt	Confirm Full Receipt					
P2P	Inventory Mgmt	Confirm Full Receipt with Tolerances					
P2P	Inventory Mgmt	Confirm Partial Receipt					
P2P	Payable Mgmt	Approve for Payment					
P2P	Payable Mgmt	Execute Payment					



On the ECS-Assess worksheet, the Areas and Sub-Categories have been predefined from the GAO Internal Control Standards to ensure consistency across the organization.

Cycle	Area	Sub-Category	Like/Impact	Risk Assessment
EC	Control Environment	Integrity and Ethical Values		
EC	Control Environment	Management's Commitments to Competence		
EC	Control Environment	Management's Philosophy and Operating Style		
EC	Control Environment	Organizational Structure		
EC	Control Environment	Assignment of Authority and Responsibility		
EC	Control Environment	Human-Resources Policies and Practices		
EC	Control Environment	Relationship with Oversight Agencies		
EC	Control Activities	Top Level Reviews of Actual Performance		
EC	Control Activities	Reviews by Management at the Functional or Activity Level		
EC	Control Activities	Management of Financial Capital		
EC	Control Activities	Control Over Information Processing		
EC	Control Activities	Physical Control Over Valuable Assets		

On the PCS-Assess worksheet, Processes must be selected from the drop down list found within the 'Processes' cell. This list has been created from the Joint Financial Management Improvement LPSO (JFMIP) manuals.

There may be multiple sub-processes for each process which must be recorded on separate rows in the PCS to facilitate the Evaluation phase.

For examples of sub-processes, refer to the A-123 Process Cycles, Processes and Crosswalk to JFMIP on the CFO A-123 Website.

¹ Most screen shots reference the PCS-Assess Worksheet, though the columns are the same for both PCS and ECS-Assess Worksheets.



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Document Legend	
★	Professional Judgment
STOP	Required
NOTE	Note
TIP	Tip



AVAILABLE FEATURES IN PCS-ASSESS & ECS-ASSESS:

Auto-filter Feature: To aid in the use of the PCS-Assess and ECS-Assess, certain columns have the ability to be filtered (e.g. select 'acquisition' in the Process column to view only those rows in the PCS-Assess that belong to the acquisition process).

Process Cycle	Processes	Sub Processes	Risks	Likelihood	Impact	Risk Assessment	Controls	Ctrl Type
P2P	Acquisition	Create Acquisition						
P2P	Acquisition	Approve Acquisition						
P2P	Acquisition	Internal Sourcing						
P2P	Acquisition	External Sourcing						
P2P	Acquisition	Select Vendor						
P2P	Acquisition	Create PO						
P2P	Acquisition	Approve PO						

The columns available to be filtered begin with the 'Process Cycle' column and continue through the 'Control Inefficient' Column and include all columns in between. A column that shows an upside down triangle (▼) represents a column that allows filtering. This feature is best used on columns such as Process Cycle, Processes, and Sub-Processes.

Insert New Row: As Processes and Sub-Processes are identified on the PCS-Assess worksheet, it may become necessary to insert a new row. This can be done anywhere between rows 15 and the 'End' row. Select the row where the inserted row(s) will be added beneath. Click on the 'Insert Row' button and enter the number of rows to be inserted. Click 'Ok' to have the new rows inserted.

Insert Row Delete Row Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.								
Process Cycle	Processes	Sub-Processes	Risks	Likelihood	Impact	Risk Assessment	Controls	Ctrl Type
P2P	Acquisition	Funds Certification						
P2P	Acquisition	Obligations						
P2P	Acquisition	De-Obligations						

Delete Row: Should it be necessary to delete a row from the PCS-Assess worksheet, select the row to delete and click on the 'Delete Row' button. Only one row can be deleted at one time.

Insert Row Delete Row Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.								
Process Cycle	Processes	Sub-Processes	Risks	Likelihood	Impact	Risk Assessment	Controls	Ctrl Type
P2P	Acquisition	Funds Certification						
P2P	Acquisition	Obligations						
P2P	Acquisition	De-Obligations						

Duplicate Row: While working in the ECS-Assess worksheet, it may become necessary to duplicate a row. This can be done by selecting the row to be duplicated and clicking the 'Duplicate Row' button. This will insert a new row below the selected row and populate the 'Cycle', 'Area', and 'Sub-Category' columns with the data from the selected row. Rows cannot be deleted once the duplication has been completed.

Duplicate Row Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.								
Cycle	Area	Sub-Category	Risks	Likelihood	Impact	Risk Assessment	Controls	Ctrl Type
EC	Control Environment	Integrity and Ethical Values						
EC	Control Environment	Integrity and Ethical Values						
EC	Control Environment	Integrity and Ethical Values						



Quick Start Guide 2 – Documenting

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	Note
	Tip

C. Identify Sub-Processes that Require Initial Remediation.

1. Identify sub-processes that require initial remediation and assign a status of "2-Initial Remediation" in the **Control Design Effective** column.



These sub-processes may have been identified through Tiger Team communications, audits, and such, requiring immediate remediation.

Figure 6

B	C	D	H	I	J	K	L	M	N	O	Q	R
1	AART: PCS Assess					General Ledger Mgmt						
2	Site	ORNL				Funds Mgmt						
3	Attester	tbd				FBvT						
4	Implementer					Cost Mgmt						
5	Date Updated					Insurance						
6	Insert Row	Delete Row				Grants						
7	Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.					Loans						
8						Acquisition						
9						Inventory Mgmt						
10						Payable Mgmt						
11												
12	Process Cycle	Processes	Sub Processes	Likelihood	Impact	Risk Assessment	Controls	Cntl Type	Cntl Freq	Control Design Effective	Control Inefficient	Remediation Required
13	P2P	Acquisition	Create Acquisition							2		yes
14	P2P	Acquisition	Approve Acquisition									
15	P2P	Acquisition	Internal Sourcing									
16	P2P	Acquisition	External Sourcing									
17	P2P	Acquisition	Select Vendor									
18	P2P	Acquisition	Create PO							2		yes
19	P2P	Acquisition	Approve PO									
20	P2P	Inventory Mgmt	Confirm Full Receipt									
21	P2P	Inventory Mgmt	Confirm Full Receipt with Tolerances									
22	P2P	Inventory Mgmt	Confirm Partial Receipt									
23	P2P	Payable Mgmt	Approve for Payment									
24	P2P	Payable Mgmt	Execute Payment									
25												
26												
27												
28												
29												
30												
31												



Quick Start Guide 2 – Documenting

Document Legend	
	Professional Judgment
	Required
	Note
	Tip

D. Review Existing Documentation for Entity Controls and Processes.



REQUIREMENTS

Documentation includes, at a minimum, end to end business and system procedures for completing transactions; systems used in the process; control descriptions (narratives); related entity controls and organizational entities that perform these activities. Additional considerations are listed in the CFO Council Implementation Guide.

There are no standard formats for documentation beyond the requirement for documenting organizations, processes, risks, and internal controls over financial reporting in enough detail to withstand the rigors of audit.



Completing the AART tools does not represent sufficient documentation of the site A-123 process, although it is a critical part. In addition to the information below, please refer to the CFO Council Implementation Guide for OMB Circular A-123 and the COSO framework for more information on capturing adequate documentation.

Maintaining required documentation is a primary activity of A-123 compliance. Documentation must be maintained not only for entity controls and process / sub-processes, but for all aspects of the A-123 program being implemented. Therefore, documentation is a cross-cutting activity that affects all phases of the A-123 process. For example, the implementation plans are the key documentation points in the planning phase. Similarly, the reporting phase represents a key documentation point. As such, this section briefly touches on each phase's documentation requirements.

1. Review Existing Documentation:

Locate existing documentation for all entity controls and processes / sub processes not in remediation. Review and update to ensure that standards required by the CFO Council Implementation Guide are met.



REQUIREMENTS

For Entity Controls, the Organizational Structure documentation must be reviewed for accuracy.



Quick Start Guide 2 – Documenting

Document Legend	
★	Professional Judgment
STOP	Required
NOTE	Note
TIP	Tip

E. Create New Documentation

1. Create documentation for all entity controls and processes / sub-processes that do not have existing documentation and are not in remediation.
2. For Entity Controls, enter the location where the supporting documentation is housed in the **Supporting Documentation** column of the ECS-Assess worksheet.

Figure 7

AART: ECS Assess

FO: SPRO
Attester: Sheldra Wormhoudt
Implementer:
Date Updated:

Duplicate Row
Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.

Cycle	Area	Sub-Category	Test	Control Inefficient	Remediation Plan	Evaluation Rationale / Comments	Supporting Documentation (where documentation is filed)
EC	Information and Communication	Information Systems - General Controls			Req'd		
EC	Information and Communication	Information Systems - Application Controls			Compl		
EC	Risk Assessment	Clear, Consistent Agency Objectives					
EC	Risk Assessment	Identify Risks and Risk Factors, Internal and External					

Site AART / Rollup AART / ECS-Assess / ECS-Test / PCS-Assess / PCS-Test / Assessment Team / Field Office - Site Acronyms

3. For Process / Sub-Processes, enter the location where the supporting documentation is housed in the **Supporting Documentation** column of the PCS-Assess worksheet.

Figure 8

Attester: lbd
Implementer:
Date Updated:

Insert Row Delete Row
Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.

Process Cycle	Processes	Sub Processes	Test	Control Inefficient	Remediation Plan	Evaluation Rationale / Comments	Supporting Documentation (where documentation is filed)
P2P	Acquisition	Create Acquisition			Req'd	yes	ALB Server: D:\OMB Compliance\Process
P2P	Acquisition	Approve Acquisition					
P2P	Acquisition	Internal Sourcing					
P2P	Acquisition	External Sourcing					
P2P	Acquisition	Select Vendor			yes		
P2P	Acquisition	Create PO					
P2P	Acquisition	Approve PO					
P2P	Inventory Mgmt	Confirm Full Receipt					
P2P	Inventory Mgmt	Confirm Full Receipt with Tolerances					
P2P	Inventory Mgmt	Confirm Partial Receipt					
P2P	Payable Mgmt	Approve for Payment					
P2P	Payable Mgmt	Execute Payment					

Site AART / Rollup AART / ECS-Assess / ECS-Test / PCS-Assess / PCS-Test / Assessment Team / Field Office - Site Acronyms



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	Note
	Tip



Documentation Standards will be put in effect starting FY 2007. It is highly recommended to use the Process Documentation standards for all newly created documentation.

4. Examples of Good Documentation:

The form and extent of documentation depends in part on the nature and complexity of the controls; the more extensive and complex the controls, the more extensive the documentation. Documentation may be electronic, hard-copy format or both and must be readily available for examination. Documentation could include organizational charts, flow charts, questionnaires, decision tables, or memoranda. Documentation may already exist as part of normal policy or procedure; however, the Site or LPSO Assessment Team should separately identify, verify and maintain the documentation it uses in making its assessment.

Existing documentation prepared by internal or external auditors may also be used, but again, the Site or LPSO Assessment Teams must take responsibility and verify and maintain the documentation. Documentation should also include appropriate representations from officials and personnel responsible for monitoring, improving and assessing internal controls.

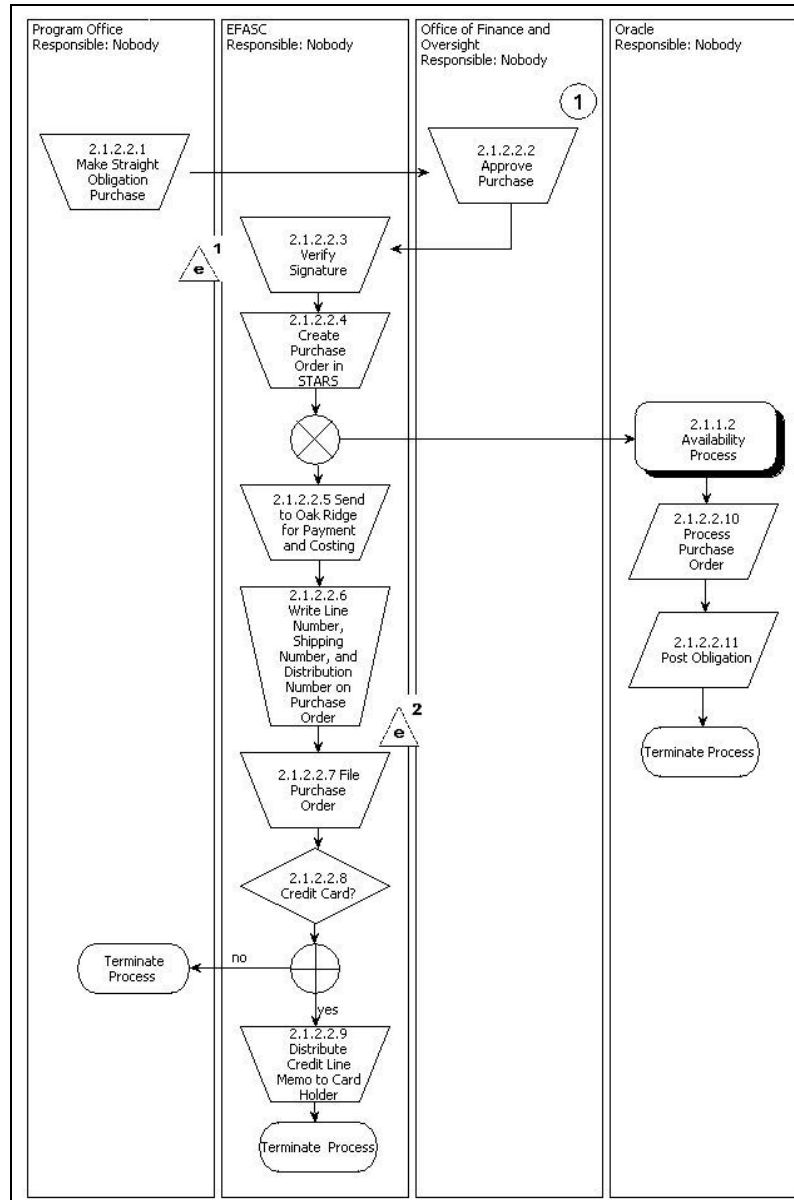
After the initial assessment, subsequent assessments may focus on updating existing documentation. All documentation and records shall be properly managed and maintained; therefore, Sites / Field Offices / LPSOs will need to establish, or review existing retention policies for documentation (paper and electronic media).



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Document Legend	
★	Professional Judgment
STOP	Required
NOTE	Note
💡	Tip

Figure 9 – Sample Process Map with Risks and Controls Identified





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Document Legend	
	Professional Judgment
	Required
	Note
	Tip

F. Required Supporting Documentation

1. Documenting Professional Judgment and Decisions:

In addition to documentation maintained to support entity controls and processes / sub processes, documentation must be maintained to support any area where professional judgment is used to formulate a conclusion. This would include: making a subjective assessment of control design effectiveness (in Evaluating); assigning overall entity control and process ratings (Evaluating & Testing); assigning overall Site / LPSO assessments; and, most importantly, when making decisions as to the overall level of assurance that will be provided. This, however, is not an exhaustive list and teams should always be conscious of when professional judgment is the source of a decision/assessment and make sure the rationale is fully documented. This cross-cuts all A-123 phases.

2. Planning:

The key documentation for the planning phase is the Site or LPSO Implementation Plan. Refer to the Planning Phase and the Implementation Plan Template for specific documentation requirements.

3. Evaluating:

In addition to the information contained in the “Assess” worksheets of the AART, the Site / Field Office / LPSO must maintain sufficient documentation to support their work in the evaluation phase. Specifically, the rationale for determining entity control and process / sub-process control design effectiveness must be sufficiently documented. While space is provided in the “Test” worksheets of Site / Field Office / LPSO AART to capture a summary of this information, it will likely not be sufficient to represent complete documentation.

4. Testing Plans:

In addition to the information contained in the “Test” worksheets of AART, the Teams must develop and maintain detailed test plans to support their work. Test plans would generally include the type of test, the basis for selecting the test, the sample size and basis for the sample, error tolerance, sampling selection methodology, and other information related to the process of testing.

In addition, complete work papers must be maintained that capture the results of the actual testing. This might include actual documents tested with reviewer notes, a written explanation of how test results were considered to arrive at a pass/fail rating and any other pertinent information. Space is provided in the “Test” worksheet of AART to capture



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	Note
	Tip

a summary of this information, but it is not sufficient to represent complete documentation.

5. Remediation:

All activities performed in the remediation phase should be fully documented. This would include: current state process maps, future state maps, a corrective action plan, implementing memorandums and related information, and any validations that remediation has been completed to support re-entry into the A-123 documenting phase.

6. Reporting:

The reporting guide provides complete information on what is required to be documented as part of the Reporting Phase.



REQUIREMENTS

Documentation must be readily accessible and be made available upon request for validation purposes.



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Document Legend	
★	Professional Judgment
STOP	Required
NOTE	Note
TIP	Tip

G. Record Risks and Controls

Financial Assertions are based on PERCV –

- *Presentation and Disclosure;*
- *Existence or Occurrence;*
- *Rights and Obligations;*
- *Completeness and Accuracy;*
- *Valuation or Allocation*

Consider these areas when identifying risks and mitigating controls².

² CFO Council Implementation Guide

1. Refer to the documentation and identify and record the risks associated with each sub-process or sub-category. This should be completed for both Process and Entity Control worksheets (PCS-Assess and ECS-Assess).

At a minimum, the Site / Field Office / LPSO should consider the illustrative examples of risks in the GAO Financial Audit Manual (FAM) and the COSO Framework. The FAM and an excerpt of COSO risk areas can be found on the CFO A-123 Website. An Entity Control Risk Matrix that provides a listing of possible Entity Control risks is also available on the CFO A-123 Website.

Figure 10

	B	C	D	G	H	I	J	K	L
1	AART: PCS Assess			Version 3.0					
2	Site		ORNL						General Ledger Mgmt
3	Attester		tbd						Funds Mgmt
4	Implementer								FBVT
5	Date Updated								Cost Mgmt
6	Insert Row Delete Row								Insurance
7	Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.								Grants
8									Loans
9									Acquisition
10									Inventory Mgmt
11									Payable Mgmt
12	Process Cycle	Processes	Sub Processes	Risks	Likelihood	Impact	Risk Assessment	Controls	Critl Type
13	P2P	Acquisition	Create Acquisition	Person creates a requisition for an unauthorized amount					
14	P2P	Acquisition	Approve Acquisition	Item requested is not for government					
15	P2P	Acquisition	Internal Sourcing	Internal sources item is obsolete and					
16	P2P	Acquisition	External Sourcing	Item is externally sourced but could be					
17	P2P	Acquisition	Select Vendor	Vendor selected is not the one					
18	P2P	Acquisition	Create PO	Purchase Order value is different from					
19	P2P	Acquisition	Approve PO	Purchase Order generated without pre-					
20	P2P	Inventory Mgmt	Confirm Full Receipt	Person receiving goods or services enters an amount received other than					
21	P2P	Inventory Mgmt	Confirm Full Receipt with Tolerances	Person receiving goods or services enters an amount received other than					
22	P2P	Inventory Mgmt	Confirm Partial Receipt						
23	P2P	Payable Mgmt	Approve for Payment						
24	P2P	Payable Mgmt	Execute Payment						
25									
26									
27									
28									
29									



Quick Start Guide 2 – Documenting

Document Legend	
	Professional Judgment
	Required
	Note
	Tip

- Refer to the documentation and record the controls in place to mitigate each risk associated with a sub-process or sub-category. This should be completed for both Process and Entity Control worksheets (PCS-Assess and ECS-Assess)

At a minimum, the Site / Field Office / LPSO should consider the illustrative examples of controls in the GAO Financial Audit Manual (FAM). The FAM can be found on the CFO A-123 Website.

Figure 11

B		C	D	G		H	I	J	L
1	AART: PCS Assess		Version 3.0				B2C	General Ledger Mgmt	
2	Site		ORNL					Funds Mgmt	
3	Attester		tbd					FBWT	
4	Implementer							Cost Mgmt	
5	Date Updated							Insurance	
6	Insert Row		Delete Row					Grants	
7	Make sure the active cell is in the input section (below row 13) to use the Insert Row and Delete Row functions.						P2P	Loans	
8								Acquisition	
9								Inventory Mgmt	
10								Payable Mgmt	
11									
12	Process	Processes	Sub Processes	Risks	Likelihood	Impact	Risk Assessment	Controls	
13	P2P	Acquisition	Create Acquisition	Person creates a requisition for an unauthorized amount				Automatic workflow approval process in place. Requisition automatically routed to next level in organization. Prepopulated table of authorized amounts is checked.	
15	P2P	Acquisition	Approve Acquisition	Item requested is not for government				Automatic workflow approval process in place. Requisition automatically routed to next level in organization. Several levels of approval are required, therefore the likelihood of this occurrence is low.	
16	P2P	Acquisition	Internal Sourcing	Internal sources item is obsolete and				Internal Sourcing is approved by supervisor in sourcing and Manager or department requesting goods and/or services.	
17	P2P	Acquisition	External Sourcing	Item is externally sourced but could be				Internal Sourcing is approved by supervisor in sourcing and Manager or department requesting goods and/or services.	
18	P2P	Acquisition	Select Vendor	Vendor selected is not the one					
19	P2P	Acquisition	Create PO	Purchase Order value is different from					
20	P2P	Acquisition							



There may be multiple risks associated with a sub-process. Each risk must be documented in separate rows. A risk may have multiple controls mitigating it. These controls **must** be recorded in the same risk row (i.e. same cell). If you wish to record the controls on separate lines use the Alt-**<enter>** keyboard shortcut to start a new line within a cell.

It is important that each row has a Process and Sub-Process identified before entering the risk, even if the Process and Sub-Process is the same for multiple risks.



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Document Legend	
★	Professional Judgment
STOP	Required
NOTE	Note
TIP	Tip

- Refer to the documentation and select the type of control in place in the **Control Type** column for each sub-process or sub-category. This should be completed for both Process and Entity Control worksheets (PCS-Assess and ECS-Assess)

For example: "Workflow within a system that routes a transaction to an authorized individual for approval" should be designated as automated.

Figure 12

Process Cyl	Processes	Sub Processes	Likeli hood	Impact	Risk Assess ment	Controls	Cntl Type	Cntl Freq	Control Dsgn Effect	Test	Control Inefficien	Remedi
P2P	Acquisition	Create Acquisition				Automatic workflow approval process in place. Requisition automatically routed to next level in organization. Prepopulated table of authorized amounts is checked.	Aut		2			yes
P2P	Acquisition	Approve Acquisition				Automatic workflow approval process in place. Requisition automatically routed to next level in organization. Several levels of approval are required, therefore the likelihood of this occurrence is low.	Aut					
P2P	Acquisition	Internal Sourcing				Internal Sourcing is approved by supervisor in sourcing and Manager or department requesting goods and/or services.	Man					
P2P	Acquisition	External Sourcing				Internal Sourcing is approved by supervisor in sourcing and Manager or department requesting goods and/or services.	Man					
P2P	Acquisition	Select Vendor							2			yes
P2P	Acquisition	Create PO										

- Select the frequency at which each control is executed in the **Control Frequency** column for each control. This should be completed for both Process and Entity Control worksheets (PCS-Assess and ECS-Assess)

Figure 13

Process Cyl	Processes	Sub Processes	Likeli hood	Impact	Risk Assess ment	Controls	Cntl Type	Cntl Freq	Control Dsgn Effect	Test	Control Inefficien	Remedi
P2P	Acquisition	Create Acquisition				Automatic workflow approval process in place. Requisition automatically routed to next level in organization. Prepopulated table of authorized amounts is checked.	Aut	R	2			yes
P2P	Acquisition	Approve Acquisition				Automatic workflow approval process in place. Requisition automatically routed to next level in organization. Several levels of approval are required, therefore the likelihood of this occurrence is low.	Aut	R				
P2P	Acquisition	Internal Sourcing				Internal Sourcing is approved by supervisor in sourcing and Manager or department requesting goods and/or services.	Man	R				
P2P	Acquisition	External Sourcing				Internal Sourcing is approved by supervisor in sourcing and Manager or department requesting goods and/or services.	Man	R				
P2P	Acquisition	Select Vendor							2			yes
P2P	Acquisition	Create PO										



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	Required
	Note
	Tip



Recurring frequency is a control that executes every time an activity or transaction is run. This may be numerous times in one day.

H. Update the Implementation Plan

1. Document the results of the documenting activities
2. Review Implementation Plan for accuracy
3. Make and track necessary changes



Major changes to the Implementation Plan will need to be reported in the Quarterly Report.



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Document Legend	
	Professional Judgment
	Required
	Note
	Tip

REFERENCES

See CFO A-123 Website for suggested reading material:

OMB A-123 Appendix A

CFO Council Implementation Guide for OMB Circular A-123

Financial Audit Manual (GAO-01-765G)

DOE OMB Circular A-123, Appendix A, Implementation Plan

DOE Interim Guidance for OMB Circular A-123

FY 2005 Audit Report

FY 2005 Management Letter

ADDITIONAL INFORMATION

Refer to the CFO A-123 website which will be updated with latest materials including tools, FAQs and additional reading material.

(<http://www.cfo.doe.gov/progliaison/doeA123/index.htm>)

DEFINITIONS

Word	Definition
Attester	The person who will be required to affirm the authenticity of information for the LPSO.
Cognizant Secretarial Office (CSO)	Headquarters Elements that provide significant funding to Field Offices overseen by the LPSOs.
Field Office (FO)	Location where the Site Assessment Team manages the A-123 Implementation for its Sites. Only the Field Office provides assurance to the LPSO.
Headquarters Element	Lead Program Secretarial Office or Headquarters Business Program that is affected by the financial reporting requirements of OMB A-123, Appendix A.
Implementer	The person responsible for executing the activities to support the Attester's affirmation.
Lead Program Secretarial Office (LPSO)	Headquarters Element whose cognizance includes those Field Offices that are affected by the financial reporting requirements of OMB A-123, Appendix A. These LPSOs provide oversight activities to Field Offices that directly impact the accounts determined to be material to the Department's financial statements.
Process	The highest level of sub-processes within a process cycle.
Process Cycle	An end-to-end sequence of events consisting of the methods and records used to establish, identify, assemble, analyze, classify, and record transactions. ²
Site	Unit of a Field Office including the Field Office federal activities and its contractors (both integrated and non-integrated). Predefined by Headquarters.

² Adapted from the CFO Council Implementation Guide



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STOP	Required
NOTE	Note
💡	Tip

NEXT PHASE

